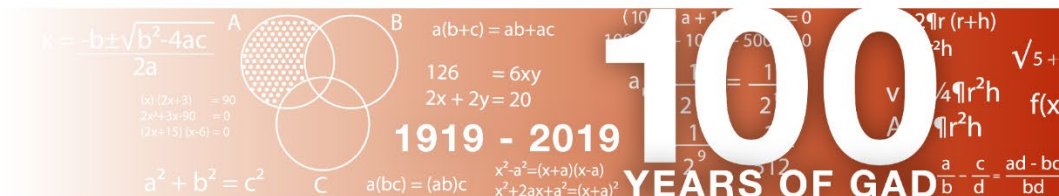




Government
Actuary's
Department



Scottish Teachers' Superannuation Scheme

Annual allowance tax charge debits

Factors and guidance

Date: 15 November 2019





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1 Introduction

- 1.1 This note is provided for the Scottish Public Pensions Agency (SPPA) as scheme manager of the Scottish Teachers' Superannuation Scheme (STSS). These tables should be used only to calculate the pension and lump sum debits applying to a final salary member who has elected for the scheme to pay annual allowance related tax charges on their behalf.
- 1.2 Relevant legislation in respect of the annual allowance is contained in sections 227, 237B and 237E of the Finance Act 2004 and regulation J6B of The Teachers' Superannuation (Scotland) Regulations 2005 (SSI 2005/393).
- 1.3 We have prepared the guidance and factors provided in this note in light of our advice to SPPA dated 30 October 2018 and its instructions following that advice.
- 1.4 We have provided separate guidance covering members of the career average section.
- 1.5 We have not previously provided a guidance note for AA scheme pays as these debits were previously calculated with reference to the debits for pension sharing on divorce. The method for AA scheme pays is now set out in this guidance note and the pension sharing on divorce method should no longer be used.
- 1.6 No advice issued in the past for the STSS should be used for Scheme Pays calculations. No advice or factors issued for the STSS should be used for reductions to STSS benefits.
- 1.7 These factors should **not** be used to calculate debits in respect of lifetime allowance tax charges, or debits resulting from pension sharing on divorce. Please refer to the relevant guidance notes in order to calculate debits in relation to pension on divorce or lifetime allowance tax charges.
- 1.8 Details of the principal assumptions underlying the factors contained in this guidance note can be found in Appendix A. The factors are provided in Appendix B and some important limitations can be found in Appendix C.

Implementation and review

- 1.9 The factors contained in this guidance were implemented before this note, taking effect from October 2018. This guidance note will apply with effect from the date it is issued.
- 1.10 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Scottish Teachers' Superannuation Scheme. Any questions concerning the application of the guidance should, in the first instance, be referred to SPPA.



- 1.11 In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.
- 1.12 The factors contained in this guidance will be subject to review periodically. This will depend on external circumstances, for example whenever there is a change in the SCAPE basis; when changes in the actuarial assumptions adopted for other scheme factors take place; or following each future actuarial valuation where mortality and other relevant experience is reviewed or if other credible and material information comes to light.
- 1.13 The remainder of this note covers the factor tables, guidance on their use and a number of worked examples.

Third party reliance

- 1.14 This guidance has been prepared for the use of SPPA for the purposes of demonstrating the application of the factors covered by this guidance only. This guidance may be published on SPPA's website but must not otherwise be reproduced, distributed or communicated in whole or in part to any other person without GAD's prior written permission.
- 1.15 Other than SPPA, no person or third party is entitled to place any reliance on the contents of this guidance, except to any extent explicitly stated herein. GAD has no liability to any person or third party for any action taken or for any failure to act, either in whole or in part, on the basis of this guidance, whether or not GAD has agreed to the disclosure of its advice to the third party.



2 Annual allowance debits

- 2.1 If a member becomes liable to pay the annual allowance charge in any tax year (and certain conditions are met) they can make an election requiring the scheme administrator to pay all or part of the charge on their behalf. This is commonly known as 'scheme pays'.
- 2.2 Following an election for the scheme to meet the annual allowance tax charge, consequential adjustments ('annual allowance debits') must be made to the member's benefit entitlements from the scheme.
- 2.3 Annual allowance debits will need to be calculated in respect of each tax year in which a member elects to allow the scheme to meet the annual allowance tax charge.
- 2.4 Paragraphs 2.6 to 2.16 set out the guidance for calculating the annual allowance debits at the time of the election.
- 2.5 Paragraphs 2.17 to 2.23 set out the guidance for calculating the annual allowance debits applying at retirement.

Calculating annual allowance debits

- 2.6 This section sets out guidance for calculating annual allowance debits which will be applied to the member's benefits.
- 2.7 The annual allowance debits will not be applied to the benefits payable to a future surviving spouse, civil partner or children on the member's death.
- 2.8 Annual allowance debits do not affect GMPs.
- 2.9 The member's age (last birthday) should be calculated as at the implementation date which is 5 April of the tax year to which the tax charge relates.

Calculations

- 2.10 The annual allowance debits to apply to the pension and lump sum entitlements should be calculated as shown below.
- 2.11 The annual allowance pension debit (D^P) should be calculated as:

$$D^P = \frac{TC}{F_x^P + 3 \times F_x^{LS}}$$

where:

TC annual allowance tax charge payable by the scheme administrator

F_x^P factor for tax charge on pension for a member aged x

F_x^{LS} factor for tax charge on automatic lump sum for a member aged x (see 2.12)

- 2.12 F_x^{LS} is equal to 0 for debits to be deducted from NPA 65 benefits.



- 2.13 The factors are set out in Table 801 (Table 601 in the consolidated factors spreadsheet) for members with NPA 60 benefits and Table 811 (Table 602 in the consolidated factors spreadsheet) for members with NPA 65 benefits in Appendix B.
- 2.14 Factors should be selected according to a member's normal pension age (NPA) and their age (last birthday) at the implementation date.
- 2.15 Where applicable, i.e. for debits to be deducted from NPA 60 benefits, the annual allowance lump sum debit (D^{LS}) is calculated as:

$$D^{LS} = 3 \times D^P$$

- 2.16 SPPA should store the debits calculated above and the implementation date of these debits on the member's record. Where a member has multiple annual allowance debits, they should be recorded separately.

Implementing debits at retirement

- 2.17 Guidance and factors for implementing debits at retirement for members retiring early or late in normal health can now be found in:
- *Scottish Teachers' Superannuation Scheme and Scottish Teachers' Pension Scheme 2015: Early retirements in normal health: Factors and guidance* dated 20 June 2019; and
 - *Scottish Teachers' Superannuation Scheme: Late retirements: Final salary section: Factors and guidance* dated 20 June 2019.
- 2.18 The annual allowance pension debit and the annual allowance lump sum debit will be increased in line with the Pensions (Increase) Act up until the member's retirement.
- 2.19 On **ill health retirement**, each pension debit must be adjusted as follows:

$$AdjD^P = D^P \times PI \times F_x^R$$

D^P annual allowance pension debit

PI pension increase multiplier applying between the implementation date and the date of retirement

F_x^R timing adjustment factor for member retiring at age x

- 2.20 F_x^R is taken from Table 841 (Table 603 in the consolidated factors spreadsheet) or Table 851 (Table 604 in the consolidated factors spreadsheet) in Appendix B depending on the member's NPA. The factor should be selected according to a member's age (in years and completed months) at the date of retirement.
- 2.21 The pension to be implemented at retirement is the full pension, i.e. the pension before any debits, less all of the member's adjusted pension debits.



2.22 Where applicable each lump sum debit must be adjusted separately as follows:

$$AdjD^{LS} = D^{LS} \times PI \times F_x^R$$

D^{LS} annual allowance lump sum debit

PI pension increase multiplier applying between the implementation date and the date of retirement

F_x^R timing adjustment factor for member retiring at age x

2.23 The lump sum to be implemented at retirement is the full lump sum, i.e. the lump sum before any debits, less all of the member's adjusted lump sum debits.

Commutation

2.24 Any exchange of pension for a lump sum (under regulation E8A of the Teachers' Superannuation (Scotland) Regulations 2005 SSI 2005/393) should occur **after** the application of annual allowance debits.

Members with mixed service

2.25 For members with mixed service, the debit should be set up against the NPA 65 pension. If the annual allowance charge exceeds the value of the pension in the NPA 65 section of the scheme, a debit should be set up against the NPA 60 benefits to cover the excess.



3 Annual allowance examples

This section provides an example of the calculations described in this note.

The examples below do not cover every form of annual allowance debit possible. However, it should be sufficient to illustrate the key stages of the guidance outlined in Section 2 of this note.

Example 1: Calculation of annual allowance debit

Member Details

NPA	60
Date of birth	14 March 1965
Annual allowance charge (TC)	£ 7,500
Tax year of annual allowance charge	2019/20
Implementation date	5 April 2020
Age at implementation date	55 years 0 months

Pension Debit

From 2.11, the formula for calculating the annual allowance pension debit is:

$$D^P = \frac{TC}{F_x^P + 3 \times F_x^{LS}}$$

$$F_x^P = 18.51 \quad (\text{from Table 801})$$

$$F_x^{LS} = 0.90 \quad (\text{from Table 801})$$

Substituting these values into the formula we get:

$$\begin{aligned} D^P &= \text{£}7,500 \div [18.51 + (3 \times 0.90)] \\ &= \text{£}353.61 \text{ pa} \end{aligned}$$

Lump sum debit

From 2.15, the formula for calculating the annual allowance lump sum debit is:

$$\begin{aligned} D^{LS} &= 3 \times D^P \\ &= 3 \times \text{£}353.61 \\ &= \text{£}1,060.83 \end{aligned}$$

Record these debits on the member's record with implementation date 5 April 2020.



Example 2: NPA 65 member retiring at age 55 on grounds of ill health, with annual allowance debit

Member details

NPA	65
Sex	Male
Date of birth	16 March 1965
Date of retirement	24 May 2020
Age at retirement	55 years 2 months
Member's pension before debit	£ 46,000
Annual allowance pension debit 2015/16 (at 51)	£ 600 pa
Pension increase uprating factor 2015/16	1.09*

* From 2015/16 debit implementation date, 5 April 2016, to retirement. Illustrative figure for the purpose of this example.

As this member has accrued service only in the NPA 65 section, he will not have a right to an automatic lump sum.

Pension Debit

Under 2.19, the formula for calculating the adjusted pension debit at retirement date is:

$$AdjD^P = D^P \times PI \times F_x^R$$

$$F_x^R = 0.596 \quad \text{(from Table 851)}$$

Substituting these values into the formula we get:

$$\begin{aligned} \text{Adjusted pension debit} &= £600 \times 1.09 \times 0.596 \\ &= £389.78 \text{ pa} \end{aligned}$$

The (pre-commutation) pension payable to the member is the full pension less the member's adjusted pension debit.

$$\begin{aligned} \text{Member's pension} &= £46,000.00 - £389.78 \\ &= \mathbf{£45,610.22 \text{ pa}} \end{aligned}$$



Appendix A: Principal assumptions underlying factors

Financial assumptions

Nominal discount rate	4.448% pa
CPI	2.00% pa
RPI	3.15% pa
Real discount rate (in excess of CPI)	2.40% pa
Real discount rate (in excess of RPI)	1.25% pa

Mortality assumptions

Mortality assumptions

Members in normal health	<p>males: 119% S2NMA_L</p> <p>females: age-dependent adjustments to S1NFA_L 84% up to age 79 97% at ages 80 to 84 113% at ages 85 to 89 122% from age 90</p>
Members in ill-health	<p>under age 75 males: 79% S2IMA with underpin of 134% of S2NMA females: 96% S2IFA with underpin of 128% of S2NFA</p> <p>over age 75 males: 134% S2NMA and females: 128% S2NFA</p> <p>future: males: 100% S2IMA and females: 100% S2IFA</p>
Dependants	males: 135% S2NMA and females: 107% S2DFA
Future mortality improvements	based on ONS principal UK population projections 2016
Year of Use	2020

Other assumptions

Proportion of male members for unisex factors	30%
Age difference between member and partner	Male members 3 years older than partner Female members 2 years younger than partner
Allowance for commutation	Nil other than for mandatory lump sum cases



Appendix B: Tables of factors

- Table 801 (Table 601 in consolidated factors spreadsheet): Factors for calculating annual allowance debit – **NPA 60**
- Table 811 (Table 602 in consolidated factors spreadsheet): Factors for calculating annual allowance debit – **NPA 65**
- Table 841 (Table 603 in consolidated factors spreadsheet): Timing adjustment factors for ill health retirements – **NPA 60**
- Table 851 (Table 604 in consolidated factors spreadsheet): Timing adjustment factors for ill health retirements – **NPA 65**



Table 801 (Table 601 in consolidated factors spreadsheet) – Factors for calculating annual allowance debit – NPA 60

Age last birthday at relevant date	Annual allowance debit factor per £1 of pension per annum	Annual allowance debit factor per £1 of lump sum
20	8.56	0.39
21	8.75	0.40
22	8.94	0.41
23	9.13	0.42
24	9.33	0.43
25	9.54	0.44
26	9.75	0.45
27	9.96	0.46
28	10.18	0.47
29	10.40	0.49
30	10.63	0.50
31	10.87	0.51
32	11.10	0.52
33	11.35	0.53
34	11.60	0.55
35	11.85	0.56
36	12.12	0.57
37	12.38	0.59
38	12.66	0.60
39	12.94	0.62
40	13.23	0.63
41	13.52	0.64
42	13.82	0.66
43	14.13	0.68
44	14.45	0.69
45	14.77	0.71
46	15.10	0.73
47	15.44	0.74
48	15.79	0.76
49	16.15	0.78
50	16.52	0.80
51	16.89	0.82
52	17.28	0.84
53	17.68	0.86
54	18.09	0.88
55	18.51	0.90
56	18.95	0.92
57	19.40	0.94
58	19.87	0.97
59	20.35	0.99



Table 801 (Table 601 in consolidated factors spreadsheet) – Factors for calculating annual allowance debit – NPA 60 *continued*

Age last birthday at relevant date	Annual allowance debit factor per £1 of pension per annum	Annual allowance debit factor per £1 of lump sum
60	20.33	1.00
61	19.81	1.00
62	19.28	1.00
63	18.74	1.00
64	18.20	1.00
65	17.66	1.00
66	17.10	1.00
67	16.54	1.00
68	15.97	1.00
69	15.39	1.00
70	14.81	1.00
71	14.22	1.00
72	13.62	1.00
73	13.02	1.00
74	12.41	1.00



Table 811 (Table 602 in consolidated factors spreadsheet) – Factors for calculating annual allowance debit – NPA 65

Age last birthday at relevant date	Annual allowance debit factor per £1 of pension per annum	Annual allowance debit factor per £1 of lump sum
20	6.76	0.00
21	6.91	0.00
22	7.05	0.00
23	7.21	0.00
24	7.36	0.00
25	7.52	0.00
26	7.68	0.00
27	7.84	0.00
28	8.01	0.00
29	8.18	0.00
30	8.36	0.00
31	8.54	0.00
32	8.72	0.00
33	8.91	0.00
34	9.10	0.00
35	9.29	0.00
36	9.49	0.00
37	9.70	0.00
38	9.91	0.00
39	10.12	0.00
40	10.34	0.00
41	10.57	0.00
42	10.80	0.00
43	11.03	0.00
44	11.27	0.00
45	11.52	0.00
46	11.77	0.00
47	12.03	0.00
48	12.29	0.00
49	12.57	0.00
50	12.84	0.00
51	13.13	0.00
52	13.42	0.00
53	13.72	0.00
54	14.04	0.00
55	14.36	0.00
56	14.68	0.00
57	15.03	0.00
58	15.38	0.00
59	15.74	0.00



Table 811 (Table 602 in consolidated factors spreadsheet) – Factors for calculating annual allowance debit – NPA 65 *continued*

Age last birthday at relevant date	Annual allowance debit factor per £1 of pension per annum	Annual allowance debit factor per £1 of lump sum
60	16.12	0.00
61	16.50	0.00
62	16.91	0.00
63	17.33	0.00
64	17.77	0.00
65	17.71	0.00
66	17.13	0.00
67	16.56	0.00
68	15.98	0.00
69	15.39	0.00
70	14.81	0.00
71	14.22	0.00
72	13.62	0.00
73	13.02	0.00
74	12.41	0.00

Table 841 (Table 603 in consolidated factors spreadsheet) – Timing adjustment on ill health retirements – NPA 60

Males and Females

Age	Completed Months											
	0	1	2	3	4	5	6	7	8	9	10	11
20	0.214	0.214	0.215	0.216	0.216	0.217	0.217	0.218	0.218	0.219	0.219	0.220
21	0.221	0.221	0.222	0.222	0.223	0.223	0.224	0.225	0.225	0.226	0.226	0.227
22	0.227	0.228	0.229	0.229	0.230	0.230	0.231	0.232	0.232	0.233	0.233	0.234
23	0.235	0.235	0.236	0.237	0.237	0.238	0.238	0.239	0.240	0.240	0.241	0.241
24	0.242	0.243	0.243	0.244	0.245	0.245	0.246	0.247	0.247	0.248	0.249	0.249
25	0.250	0.251	0.251	0.252	0.253	0.253	0.254	0.255	0.255	0.256	0.257	0.257
26	0.258	0.259	0.259	0.260	0.261	0.262	0.262	0.263	0.264	0.264	0.265	0.266
27	0.267	0.267	0.268	0.269	0.269	0.270	0.271	0.272	0.272	0.273	0.274	0.275
28	0.275	0.276	0.277	0.278	0.278	0.279	0.280	0.281	0.282	0.282	0.283	0.284
29	0.285	0.285	0.286	0.287	0.288	0.289	0.289	0.290	0.291	0.292	0.293	0.293
30	0.294	0.295	0.296	0.297	0.298	0.298	0.299	0.300	0.301	0.302	0.303	0.303
31	0.304	0.305	0.306	0.307	0.308	0.309	0.310	0.310	0.311	0.312	0.313	0.314
32	0.315	0.316	0.317	0.318	0.318	0.319	0.320	0.321	0.322	0.323	0.324	0.325
33	0.326	0.327	0.328	0.329	0.330	0.331	0.332	0.332	0.333	0.334	0.335	0.336
34	0.337	0.338	0.339	0.340	0.341	0.342	0.343	0.344	0.345	0.346	0.347	0.348
35	0.349	0.350	0.351	0.352	0.353	0.354	0.356	0.357	0.358	0.359	0.360	0.361
36	0.362	0.363	0.364	0.365	0.366	0.367	0.368	0.369	0.371	0.372	0.373	0.374
37	0.375	0.376	0.377	0.378	0.380	0.381	0.382	0.383	0.384	0.385	0.386	0.388
38	0.389	0.390	0.391	0.392	0.394	0.395	0.396	0.397	0.398	0.400	0.401	0.402
39	0.403	0.404	0.406	0.407	0.408	0.409	0.411	0.412	0.413	0.415	0.416	0.417
40	0.418	0.420	0.421	0.422	0.424	0.425	0.426	0.428	0.429	0.430	0.432	0.433

Table 841 (Table 603 in consolidated factors spreadsheet) – Timing adjustment on ill health retirements – NPA 60 *continued*
Males and Females

Age	Completed Months											
	0	1	2	3	4	5	6	7	8	9	10	11
41	0.434	0.436	0.437	0.438	0.440	0.441	0.443	0.444	0.445	0.447	0.448	0.450
42	0.451	0.452	0.454	0.455	0.457	0.458	0.460	0.461	0.463	0.464	0.466	0.467
43	0.469	0.470	0.472	0.473	0.475	0.476	0.478	0.479	0.481	0.482	0.484	0.485
44	0.487	0.489	0.490	0.492	0.494	0.495	0.497	0.498	0.500	0.502	0.503	0.505
45	0.507	0.508	0.510	0.512	0.513	0.515	0.517	0.519	0.520	0.522	0.524	0.525
46	0.527	0.529	0.531	0.533	0.534	0.536	0.538	0.540	0.542	0.544	0.545	0.547
47	0.549	0.551	0.553	0.555	0.557	0.559	0.560	0.562	0.564	0.566	0.568	0.570
48	0.572	0.574	0.576	0.578	0.580	0.582	0.584	0.586	0.588	0.590	0.592	0.594
49	0.596	0.599	0.601	0.603	0.605	0.607	0.609	0.612	0.614	0.616	0.618	0.620
50	0.622	0.625	0.627	0.629	0.632	0.634	0.636	0.638	0.641	0.643	0.645	0.648
51	0.650	0.652	0.655	0.657	0.660	0.662	0.665	0.667	0.669	0.672	0.674	0.677
52	0.679	0.682	0.684	0.687	0.690	0.692	0.695	0.697	0.700	0.703	0.705	0.708
53	0.710	0.713	0.716	0.719	0.722	0.724	0.727	0.730	0.733	0.735	0.738	0.741
54	0.744	0.747	0.750	0.753	0.756	0.759	0.762	0.765	0.768	0.771	0.773	0.776
55	0.780	0.783	0.786	0.789	0.792	0.795	0.799	0.802	0.805	0.808	0.811	0.814
56	0.818	0.821	0.825	0.828	0.831	0.835	0.838	0.842	0.845	0.848	0.852	0.855
57	0.859	0.862	0.866	0.870	0.874	0.877	0.881	0.885	0.888	0.892	0.896	0.899
58	0.903	0.907	0.911	0.915	0.919	0.923	0.927	0.931	0.935	0.939	0.943	0.947
59	0.951	0.955	0.959	0.964	0.968	0.972	0.976	0.981	0.985	0.989	0.994	0.998

**Table 851 (Table 604 in consolidated factors spreadsheet) – Timing adjustment on ill health retirements – NPA 65
Males and Females**

Age	Completed Months											
	0	1	2	3	4	5	6	7	8	9	10	11
20	0.167	0.167	0.167	0.168	0.168	0.169	0.169	0.170	0.170	0.170	0.171	0.171
21	0.172	0.172	0.173	0.173	0.173	0.174	0.174	0.175	0.175	0.176	0.176	0.176
22	0.177	0.177	0.178	0.178	0.179	0.179	0.180	0.180	0.181	0.181	0.181	0.182
23	0.182	0.183	0.183	0.184	0.184	0.185	0.185	0.186	0.186	0.187	0.187	0.188
24	0.188	0.189	0.189	0.190	0.190	0.191	0.191	0.192	0.192	0.193	0.193	0.194
25	0.194	0.195	0.195	0.196	0.196	0.197	0.197	0.198	0.198	0.199	0.199	0.200
26	0.200	0.201	0.201	0.202	0.202	0.203	0.203	0.204	0.204	0.205	0.206	0.206
27	0.207	0.207	0.208	0.208	0.209	0.209	0.210	0.211	0.211	0.212	0.212	0.213
28	0.213	0.214	0.214	0.215	0.216	0.216	0.217	0.217	0.218	0.219	0.219	0.220
29	0.220	0.221	0.222	0.222	0.223	0.223	0.224	0.225	0.225	0.226	0.226	0.227
30	0.228	0.228	0.229	0.230	0.230	0.231	0.231	0.232	0.233	0.233	0.234	0.235
31	0.235	0.236	0.237	0.237	0.238	0.239	0.239	0.240	0.241	0.241	0.242	0.242
32	0.243	0.244	0.245	0.245	0.246	0.247	0.247	0.248	0.249	0.249	0.250	0.251
33	0.251	0.252	0.253	0.254	0.254	0.255	0.256	0.256	0.257	0.258	0.259	0.259
34	0.260	0.261	0.262	0.262	0.263	0.264	0.265	0.265	0.266	0.267	0.268	0.268
35	0.269	0.270	0.271	0.272	0.272	0.273	0.274	0.275	0.275	0.276	0.277	0.278
36	0.279	0.279	0.280	0.281	0.282	0.283	0.284	0.284	0.285	0.286	0.287	0.288
37	0.289	0.289	0.290	0.291	0.292	0.293	0.294	0.295	0.295	0.296	0.297	0.298
38	0.299	0.300	0.301	0.302	0.303	0.303	0.304	0.305	0.306	0.307	0.308	0.309
39	0.310	0.311	0.312	0.313	0.314	0.314	0.315	0.316	0.317	0.318	0.319	0.320
40	0.321	0.322	0.323	0.324	0.325	0.326	0.327	0.328	0.329	0.330	0.331	0.332



Table 851 (Table 604 in consolidated factors spreadsheet) – Timing adjustment on ill health retirements – NPA 65 *continued*

Males and Females

Age	Completed Months											
	0	1	2	3	4	5	6	7	8	9	10	11
41	0.333	0.334	0.335	0.336	0.337	0.338	0.339	0.340	0.341	0.342	0.344	0.345
42	0.346	0.347	0.348	0.349	0.350	0.351	0.352	0.353	0.354	0.356	0.357	0.358
43	0.359	0.360	0.361	0.362	0.363	0.365	0.366	0.367	0.368	0.369	0.370	0.372
44	0.373	0.374	0.375	0.376	0.378	0.379	0.380	0.381	0.382	0.384	0.385	0.386
45	0.387	0.389	0.390	0.391	0.392	0.394	0.395	0.396	0.398	0.399	0.400	0.401
46	0.403	0.404	0.405	0.407	0.408	0.410	0.411	0.412	0.414	0.415	0.416	0.418
47	0.419	0.421	0.422	0.423	0.425	0.426	0.428	0.429	0.431	0.432	0.433	0.435
48	0.436	0.438	0.439	0.441	0.442	0.444	0.445	0.447	0.448	0.450	0.451	0.453
49	0.455	0.456	0.458	0.459	0.461	0.463	0.464	0.466	0.467	0.469	0.471	0.472
50	0.474	0.476	0.477	0.479	0.481	0.482	0.484	0.486	0.488	0.489	0.491	0.493
51	0.494	0.496	0.498	0.500	0.502	0.504	0.505	0.507	0.509	0.511	0.513	0.514
52	0.516	0.518	0.520	0.522	0.524	0.526	0.528	0.530	0.532	0.534	0.536	0.538
53	0.540	0.542	0.544	0.546	0.548	0.550	0.552	0.554	0.556	0.558	0.560	0.562
54	0.564	0.567	0.569	0.571	0.573	0.575	0.578	0.580	0.582	0.584	0.586	0.589
55	0.591	0.593	0.596	0.598	0.600	0.603	0.605	0.607	0.610	0.612	0.614	0.617
56	0.619	0.622	0.624	0.627	0.629	0.632	0.634	0.637	0.640	0.642	0.645	0.647
57	0.650	0.653	0.655	0.658	0.661	0.663	0.666	0.669	0.672	0.674	0.677	0.680
58	0.683	0.686	0.688	0.691	0.694	0.697	0.700	0.703	0.706	0.709	0.712	0.715
59	0.718	0.721	0.724	0.727	0.731	0.734	0.737	0.740	0.743	0.746	0.750	0.753
60	0.756	0.760	0.763	0.766	0.770	0.773	0.777	0.780	0.784	0.787	0.790	0.794
61	0.797	0.801	0.805	0.809	0.812	0.816	0.820	0.824	0.827	0.831	0.835	0.838
62	0.842	0.846	0.850	0.854	0.859	0.863	0.867	0.871	0.875	0.879	0.883	0.887
63	0.891	0.896	0.900	0.904	0.909	0.913	0.918	0.922	0.926	0.931	0.935	0.940
64	0.944	0.949	0.954	0.959	0.964	0.969	0.973	0.978	0.983	0.988	0.993	0.998



Appendix C: Limitations

- C.1 This guidance should not be used for any purpose other than those set out in this guidance.
- C.2 The factors contained in this guidance are subject to regular review. Scheme managers and administrators need to ensure that they are using the latest factors, as relevant, when processing cases.
- C.3 Advice provided by GAD must be taken in context and is intended to be considered in its entirety. Individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect. GAD does not accept responsibility for advice that is altered or used selectively. Clarification should be sought if there is any doubt about the intention or scope of advice provided by GAD.
- C.4 This guidance only covers the actuarial principles around the calculation and application of annual allowance pension debit factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- C.5 Scheme managers and administrators should satisfy themselves that annual allowance pension debit calculations and benefit awards comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.
- C.6 This guidance is based on the Regulations in force at the time of writing. It is possible that future changes to the Regulations might create inconsistencies between this guidance and the Regulations. If users of this guidance believe there to be any such inconsistencies, they should bring this to the attention of SPPA and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.